GOVERNMENT OF INDIA
DISINVESTMENT
LOK SABHA

UNSTARRED QUESTION NO:2093
ANSWERED ON:05.03.2003
DISINVESTMENT OF NFL
SUNIL KHAN

Will the Minister of DISINVESTMENT be pleased to state:

(a) whether the performance of the National Fertilizer Limited (NFL) is very impressive and its net profit after tax during the last fiscal year had been Rs.40.61 crores as against Rs.27.31 crores in 2000-2001;

(b) if so, the reasons for disinvesting its 51% of equity;

(c) whether the Government have any plan to review/reconsider the decision of disinvestment of NFL; and

(d) if so, the details thereof?

Answer

MINISTER OF COMMUNICATIONS AND INFORMATION TECHNOLOGY AND MINISTER OF DISINVESTMENT (SHF SHOURIE)

(a) Yes, Sir. Of the five plants of National Fertilizers Limited (NFL), Vijaipur I and Vijaipur II made a profit before tax of Rs. 74.50 crore and Rs. 115.10 crore respectively in 2001-02. The plants at Nangal, Bathinda and Panipat incurred losses of Rs. 81.50 crore, Rs. 33.50 crore and Rs. 26.10 crore respectively-before taxes.

(b) Disinvestment in Central Public Sector Undertakings (CPSUs) is being undertaken as per the declared policy of the Government to bring down its equity in non-strategic CPSUs to 26% or below in generality of cases. The non-strategic CPSUs are those, which are not in the areas of arms & ammunitions and allied items of defence equipment, defence aircrafts and warships, atomic energy (except in the areas related to the generation of nuclear power and applications of radiations and radio-isotopes to agriculture, medicine and non-strategic industries) and railway transport. This policy is applicable to profit-making as well as loss-making CPSUs. In accordance with the recommendations of the Disinvestment Commission, the Government has decided to disinvest its equity in National Fertilizers Limited as it operates in the non-strategic sector.

(c) No, Sir.

(d) Does not arise in view of reply to (c) above.